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Financing of the United Nations Mission in Bosnia and Herzegovina

Financing of the United Nations Mission in Bosnia and Herzegovina

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) for the period from 1 July 1999 to 30 June 2000. The General Assembly, by its resolution 53/233 of 8 June 1999 appropriated an amount of $178,204,381 gross ($168,191,981 net) for the maintenance of UNMIBH for the same period.

Expenditures for the period totalled $152,214,000 gross ($143,365,900 net), resulting in an unencumbered balance of $25,990,381 gross ($24,826,081 net).

The unencumbered balance resulted mainly from civilian personnel costs.

The action to be taken by the General Assembly in connection with the financing of the Mission is a decision on the treatment of the unencumbered balance of $25,990,381 gross ($24,826,081 net) for the period from 1 July 1999 to 30 June 2000.

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I. Introduction

1. By its resolution 1035 (1995) of 21 December 1995, the Security Council established a United Nations civilian police force to be known as the International Police Task Force (IPTF), entrusted with the responsibilities set out in annex 11 to the General Framework Agreement for Peace in Bosnia and Herzegovina and the annexes thereto (collectively called the "Peace Agreement") (A/50/790-S/1995/1999), and a United Nations civilian office with the responsibilities set out in the report of the Secretary-General of 13 December 1995 (S/1995/1031). That operation is referred to as the United Nations Mission in Bosnia and Herzegovina (UNMIBH).

2. The deployment of United Nations military observers to monitor the demilitarization of the Prevlaka peninsula was authorized by the Security Council in its resolution 779 (1992) of 6 October 1992. Although the United Nations Mission of Observers in Prevlaka (UNMOP) is an independent mission, for administrative and budgetary purposes it is treated as part of UNMIBH.

3. The budget for the maintenance of UNMIBH for the period from 1 July 1999 to 30 June 2000 was set out in the report of the Secretary-General of 19 January 1999 (A/53/800) and amounted to $168,234,000 gross ($158,196,000 net). It provided for the maintenance of up to 28 military observers, 5 military liaison officers, 2,057 civilian police, 414 international staff and 1,437 locally recruited staff and 8 national officers. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 37 of its report of 1 April 1999 (A/53/895/Add.6), recommended that the requirements for the period from 1 July 1999 to 30 June 2000 should not exceed $167.6 million gross. The Committee also recommended that the question of a post (D-1) for the head of the liaison office at Zagreb be considered after the results of a review of the need to have both liaison and administrative offices and both in separate locations in Zagreb were reported by the Secretary-General.

4. The General Assembly, by its resolution 53/233 of 8 June 1999, appropriated an amount of $178,204,381 gross ($168,191,981 net) for the maintenance of UNMIBH for the period from 1 July 1999 to 30 June 2000, inclusive of $8,865,888 for the support account for peacekeeping operations and $1,738,493 for the United Nations Logistics Base at Brindisi, Italy.

II. Implementation of the budget

5. Information on the activities of UNMIBH and the situation on the ground during the period under review are contained in the reports of the Secretary-General to the Security Council dated 17 September 1999 (S/1999/989), 17 December 1999 (S/1999/1260), 15 March 2000 (S/2000/215) and 2 June 2000 (S/2000/529).

6. Information on the situation in the area of responsibility of UNMOP during the period under review is contained in the reports of the Secretary-General to the Security Council dated 12 October 1999 (S/1999/1051), 31 December 1999 (S/1999/1302), 11 April 2000 (S/2000/305) and 3 July 2000 (S/2000/647).

7. The higher than normal unencumbered balance of some $26 million for the period, the bulk of which is under the heading for civilian personnel, was largely due to two factors. First, owing to the need to divert staff to manage the immediate functional requirements of new missions in Kosovo and East Timor, the actual strength of the Task Force was below its authorized strength resulting in an average vacancy rate of 17 per cent (compared to the 5 per cent budgeted). Subsequently, the continued transfer of civilian police officers from UNMIBH to the United Nations Interim Administration Mission in Kosovo (UNMIK), without replacement, further contributed to civilian police vacancies during the reporting period. Delays in the recruitment of qualified staff resulted in an average vacancy rate of 16 per cent (compared to 15 per cent budgeted) for international staff, 31 per cent for national officers and 8 per cent for local staff (against the budgeted rate of 5 per cent).

8. Secondly, implementation of the UNMIBH budget was also affected by the lower mission subsistence allowance rate applicable in the mission area after 30 days ($75 as opposed to the budgeted amount of $90) effective May 1999. The difference attributable solely to the change in rate amounted to approximately $12 million, almost half of the total unencumbered balance. Savings were also recorded under local salaries since the average salary was equivalent to level three of the salary scale whereas the

budget was based on level four. Appropriate reductions were made in the context of the budget for the current period (1 July 2000 to 30 June 2001).

9. These underexpenditures were partially offset by requirements for the renovation of the Ndezarici dormitory, additional requirements for miscellaneous services attributable to legal services costs, higher costs of local security officers employed on special service agreements and an increase in medical treatment and service costs charged by the multinational Stabilization Force (SFOR). Additional resources were also required for the significant increase under public information programmes in respect of public affairs activities and for training programmes.

10. During the reporting period, UNMIBH concluded negotiations with the University of Sarajevo to make a war-damaged dormitory available to the Mission on a rent-free basis for a period of eight years or until the United Nations presence in Bosnia and Herzegovina will cease to exist, whichever is earlier. The facility is sufficient in size to permit UNMIBH to consolidate all its headquarters operations under one roof. UNMIBH headquarters were previously scattered among five locations in Sarajevo, which were rented by the Mission. Under the terms of the memorandum of understanding, UNMIBH was responsible for the cost of renovations, which were completed in June 2000.

III. Financial performance report for the period from 1 July 1999 to 30 June 2000

11. As indicated in table 1 below, from the appropriation of $178,204,381 gross ($168,191,981 net) for the period from 1 July 1999 to 30 June 2000, expenditures amounted to $152,214,000 gross ($143,365,900 net), inclusive of $9,161,400 in unliquidated obligations. The resulting unspent balance of $25,990,381 gross ($24,826,081 net) represents in gross terms some 15 per cent of the amount appropriated. Annex I to the present report contains the financial performance information for the reporting period by budget line item. Supplementary information on significant variances is presented in annex II. Annex IV contains a chart showing apportionment and expenditure by main budget groups.

12. Information on the deployment of military and civilian personnel during the reporting period is given in table 2 below and in annex III to the present report.

IV. Action to be taken by the General Assembly at its fifty-fifth session

13. **The action to be taken by the General Assembly in connection with the financing of UNMIBH, including UNMOP, is to decide on the treatment of the unencumbered balance of $25,990,381 gross ($24,826,081 net) for the period from 1 July 1999 to 30 June 2000.**

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel	1 224.0	914.5	309.5
Civilian personnel	130 799.0	103 424.8	27 374.2
Operational requirements	25 335.6	28 073.9	(2 738.3)
Other programmes[b]	229.0	348.3	(119.3)
United Nations Logistics Base at Brindisi	1 738.5	1 738.5	-
Support account for peacekeeping operations	8 865.9	8 865.9	-
Staff assessment	10 012.4	8 848.1	1 164.3
Gross requirements	**178 204.4**	**152 214.0**	**25 990.4**
Income from staff assessment	(10 012.4)	(8 848.1)	(1 164.3)
Net requirements	**168 192.0**	**143 365.9**	**24 826.1**
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	**178 204.4**	**152 214.0**	**25 990.4**

[a] Includes an amount of $9,161,400 in unliquidated obligations.
[b] Excludes personnel.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1999 to 30 June 2000

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	33	30	8
Military contingents	-	-	-
Civilian police	2 057	1 709	17
International staff	413	348	16
National officers	8	6	31
Local staff	1 437	1 324	8
United Nations Volunteers	-	-	-

Annex I

Financial performance report for the period from 1 July 1999 to 30 June 2000: summary statement

(Thousands of United States dollars)

Category of expenditure		*(1)* *Apportionment* [a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1 - 3)* *Variance*
I.	**Military personnel**				
1.	Military observers	1 224.0	-	914.5	309.5
2.	Military contingents	-	-	-	-
3.	Other requirements pertaining to military personnel				
	(a) Contingent-owned equipment	-	-	-	-
	(b) Self-sustainment	-	-	-	-
	(c) Death and disability compensat	-	-	-	-
	Subtotal, line 3	-	-	-	-
	Total, category I	**1 224.0**	**-**	**914.5**	**309.5**
II.	**Civilian personnel**				
1.	Civilian police	71 953.3	-	51 259.0	20 694.3
2.	International and local staff	58 845.7	-	52 165.8	6 679.9
3.	United Nations Volunteers	-	-	-	-
4.	Government-provided personnel	-	-	-	-
5.	Civilian electoral observers	-	-	-	-
	Total, category II	**130 799.0**	**-**	**103 424.8**	**27 374.2**
III.	**Operational requirements**				
1.	Premises/accommodations	4 054.8	3 865.3	7 046.1	(2 991.3)
2.	Infrastructure repairs	98.0	-	43.7	54.3
3.	Transport operations	7 739.5	4 959.3	7 918.9	(179.4)
4.	Air operations	1 507.1	-	1 453.0	54.1
5.	Naval operations	-	-	-	-
6.	Communications	5 088.9	1 923.4	4 621.4	467.5
7.	Other equipment	3 624.4	2 336.3	2 656.3	968.1
8.	Supplies and services	3 072.9	-	4 262.4	(1 189.5)
9.	Air and surface freight				
	(a) Transport of contingent-owned	-	-	-	-
	(b) Commercial freight and cartag	150.0	-	72.1	77.9
	Subtotal, line 9	150.0	-	72.1	77.9
	Total, category III	**25 335.6**	**13 084.3**	**28 073.9**	**(2 738.3)**

Category of expenditure	*(1)* *Apportionment* [a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1 - 3)* *Variance*
IV. Other programmes				
1. Election-related supplies and service	-	-	-	-
2. Public information programmes	99.5	35.9	154.7	(55.2)
3. Training programmes	129.5	-	193.6	(64.1)
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and de	-	-	-	-
Total, category IV	**229.0**	**35.9**	**348.3**	**(119.3)**
V. United Nations Logistics Base at Brind	**1 738.5**	**-**	**1 738.5**	**-**
VI. Support account for peacekeeping ope	**8 865.9**	**-**	**8 865.9**	**-**
VII. Staff assessment	**10 012.4**	**-**	**8 848.1**	**1 164.3**
Gross requirements, categories I-VII	178 204.4	13 120.2	152 214.0	25 990.4
VIII. Income from staff assessment	**(10 012.4)**	**-**	**(8 848.1)**	**(1 164.3)**
Net requirements, categories I-VIII	168 192.0	13 120.2	143 365.9	24 826.1
IX. Voluntary contributions in kind (budg	**-**	**-**	**-**	**-**
X. Voluntary contributions in kind (non-	**-**	**-**	**-**	**-**
Total	**178 204.4**	**13 120.2**	**152 214.0**	**25 990.4**

[a] Based on appropriation provided by General Assembly resolution 53/233.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $1,224,000; Expenditure: $914,500; Variance: $309,500

1. The unutilized balance of $309,500 under this heading was attributable to the decrease in the mission subsistence allowance rate from $90 to $75 per day, effective May 1999. Additionally, the average repatriation cost of $1,406 was lower than the budgeted cost of $1,700 and an average vacancy rate of 8 per cent was recorded during the reporting period. (The budget did not take into account any vacancy factor.)

Civilian personnel

Apportionment: $130,799,000; Expenditure: $103,424,800; Variance: $27,374,200

2. The unutilized balance of $27,374,200 under this heading resulted from reduced requirements for civilian police ($20,694,300) and international and local staff ($6,679,900).

Civilian police

Apportionment: $71,953,300; Expenditure: $51,259,000; Variance: $20,694,300

3. The unspent balance of $20,694,300 under civilian police resulted primarily from the lower mission subsistence allowance applicable in the mission referred to in paragraph one above. Moreover, with priority accorded to recruitment of civilian police officers to new missions, the average vacancy rate for civilian police in UNMIBH was 17 per cent as compared with the rate of 5 per cent applied in the cost estimates. The high vacancy rate also resulted in fewer rotations than budgeted. The average rotation cost of $1,237 per trip was also lower then the amount of $1,700 used in the cost estimates.

International and local staff

Apportionment: $58,845,700; Expenditure: $52,165,800; Variance: $6,679,900

4. The unspent balance of $6,679,900 under international and local staff costs resulted primarily from the decrease in mission subsistence allowance and from higher average vacancy rates than budgeted. The actual average vacancy rate for international staff during the period was 16 per cent, as compared with the rate of 15 per cent applied in the budget. This was attributable to the significant deployment of UNMIBH staff (without replacement) to newly established peacekeeping operations such as the United Nations Interim Administration Mission in Kosovo (UNMIK), the United Nations Mission in East Timor (UNAMET), the United Nations Mission in Sierra Leone (UNAMSIL), and the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC). Moreover, whilst provision was made for eight new national officer posts, delays in the recruitment of qualified staff resulted in an average vacancy rate of 31 per cent. Savings were also recorded under

local staff salaries since the average monthly salary was equivalent to that of level three of the local salary scale rather than the level four salary scale used in the budget. Appropriate adjustments and reductions have since been applied to the UNMIBH budget effective 1 July 2000.

5. The unspent balance referred to in the above paragraph was partially offset by increased requirements for travel: between the Mission and Headquarters; to conferences and official meetings; of senior staff to meet with government and civil leaders within the former Yugoslavia; of local staff within the Mission area; of administrative/technical staff in support of the United Nations Liaison Office in Belgrade; and in connection with the transport of equipment to and from the United Nations Logistics Base in Brindisi, Italy.

Operational requirements

Apportionment: $25,335,600; Expenditure: $28,073,900; Variance: ($2,738,300)

6. Additional requirements of $2,738,300 were the result of increased requirements totalling $4,360,200 for premises/accommodations ($2,991,300), transport operations ($179,400) and supplies and services ($1,189,500). This amount was partially offset by reduced requirements amounting to $1,621,900 for infrastructure repairs ($54,300), air operations ($54,100), communications ($467,500), other equipment ($968,100) and air and surface freight ($77,900).

Premises/accommodation

Apportionment: $4,054,800; Expenditure: $7,046,100; Variance: ($2,991,300)

7. Additional resource requirements of $2,991,300 arose due to the need to renovate the Ndezarici dormitory at the University of Sarajevo, which now houses UNMIBH headquarters, known as the "United Nations House". While no provision was made for this capital expenditure in the budget for 1999-2000, it was possible to identify savings within the overall amount appropriated as well as to forego some planned projects and purchases. The facility now accommodates all UNMIBH headquarters staff, including the International Police Task Force headquarters and a number of agencies.

Infrastructure repairs

Apportionment: $98,000; Expenditure: $43,700; Variance: $54,300

8. The savings of $54,300 were due primarily to priority given to the Ndezarici dormitory/United Nations House project and consequential non-implementation of lower priority projects.

Transport operations

Apportionment: $7,739,500; Expenditure: $7,918,900; Variance: ($179,400)

9. Additional requirements of $179,400 were attributable to increased expenditures for vehicles, which were partially offset by lower operating costs. Expenditures included the earlier than anticipated need to replace three armoured 4x4 vehicles (amounting to $271,300) as the current establishment had reached the

end of its useful life. These vehicles were assigned to the Special Representative of the Secretary-General for his security detail. Increased expenditure was also attributed to the purchase of 4x4 general purpose vehicles budgeted at $12,000 per unit, but purchased at $15,245, and the procurement of light buses which exceeded the budgeted unit cost by $1,150 per vehicle.

Air operations

Apportionment: $1,507,100; Expenditure: $1,453,000; Variance: $54,100

10. Unutilized resources under this heading were primarily attributable to reduced requirements for landing fees and ground handling. UNMIBH remained exempt from landing/ground charges since Sarajevo airport remains under the control of the multinational Stabilization Force (SFOR). Furthermore, the cost sharing arrangements between UNMIBH and UNMIK on joint aircraft operations/usage resulted in lower average monthly flight hours that were attributable to UNMIBH.

11. Savings that arose as a result of the delayed deployment of the helicopter, which only arrived in the mission at the end of January 2000, were offset by additional requirements for hire charges for the Bell 212 helicopter chartered from 17 January to 30 June 2000. The cost estimates were prepared on the basis of renting an AB-205 aircraft (at $1,600 per hour) as opposed to the contractual rate of $2,600 per hour for the Bell 212 helicopter.

Communications

Apportionment: $5,088,900; Expenditure: $4,621,400; Variance: $467,500

12. An unutilized balance of $467,500 under communications is primarily attributable to the redeployment of resources provided for spare parts and supplies to help finance the United Nations House project, and the upgrading of workshop and test equipment, which reduced the need to purchase new equipment.

Other equipment

Apportionment: $3,624,400; Expenditure: $2,656,300; Variance: $968,100

13. The unspent balance of $968,100 resulted primarily from the reduction in office and data-processing equipment requirements due to the consolidation of the United Nations House office project.

14. The unspent balance for the items referred to above was partially offset by additional requirements for replacement office furniture as existing furniture was ex-mission stock that had reached the end of its useful life cycle.

Supplies and services

Apportionment: $3,072,900; Expenditure: $4,262,400; Variance: ($1,189,500)

15. Additional requirements under this heading were the net result of increased requirements totalling $1,325,500 for miscellaneous services, partially offset by an unutilized balance of $136,000 under miscellaneous supplies. Additional requirements under miscellaneous services were largely attributable to losses on exchange, related to the purchase of vehicles and investigation and legal service

costs in connection with the recovery of assets from the travel fraud case in UNMIBH. Information on the travel fraud case in UNMIBH is contained in the report of the Secretary-General on the activities of the Office of Internal Oversight Services of 20 December 1999 (A/54/683). Additional requirements also resulted from higher average costs of local security officers on special service agreements who were paid at a rate equivalent to level 2 of the local salary scale. Requirements had been estimated at a cost equivalent to level 1. Additional requirements were further incurred for legal services rendered in connection with the helicopter accident of 17 September 1997. Finally, commencing in early 1999, SFOR has been charging UNMIBH for routine medical services, which had previously been provided on a gratis basis, resulting in additional requirements of $38,200 under medical treatment and services. The Advisory Committee stated in paragraph 36 of its report (A/53/895/Add.6 of 1 April 1999), that it had been informed that SFOR had recently indicated that UNMIBH would be requested to make reimbursement for these services. The Committee further stated that any additional requirements resulting from the change in arrangements would be reflected in the performance reports for the periods ending 30 June 1999 and 30 June 2000. Provisions under this category had been based on arrangements with SFOR that were in place at the time of the budget preparation.

Air and surface freight

Apportionment: $150,000; Expenditure: $72,100; Variance: $77,900

16. The unutilized balance of $77,900 resulted primarily from expenditures being limited to the cost of custom clearance charges only.

Other programmes

Apportionment: $229,000; Expenditure: $348,300; Variance: ($119,300)

17. The additional expenditure of $119,300 was the net result of additional requirements in the amount of $55,200 for public information programmes and $64,100 for training programmes.

Public information programmes

Apportionment: $99,500; Expenditure: $154,700; Variance: ($55,200)

18. Additional requirements under this heading were due to the purchase of essential audio-visual equipment for the newly established television unit, as well as the significant increase in public affairs activities. This was based on the decision taken by senior management to introduce television capability into the Mission to increase public awareness on the Mission's mandate and activities, reduce costs and increase effectiveness through the management of television production on a limited scale. The public affairs activities included the production and broadcast of an informative documentary on the State Border Service, discussions on issues of specific concern on the population and advertisements promoting the application process to the police academies and traffic safety campaigns.

Training programmes

Apportionment: $129,500; Expenditure: $193,600; Variance: ($64,100)

19. Additional requirements under this heading resulted primarily from higher priority placed on training resources within the Mission. This involved training of local border police in Austria, communications training, training in electronic data-processing, transport training, air safety training, miscellaneous training and the training of International Police Task Force selection teams.

Staff assessment

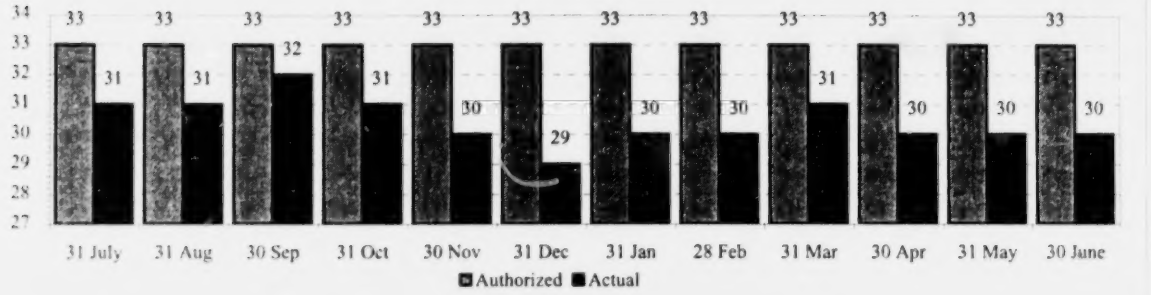
Apportionment: $10,012,400; Expenditure: $8,848,100; Variance: $1,164,300

20. Unspent resources amounting to $1,164,300 were primarily due to the higher average vacancy rates experienced of 16 per cent for international staff, 31 per cent for national officers and 8 per cent for local staff.

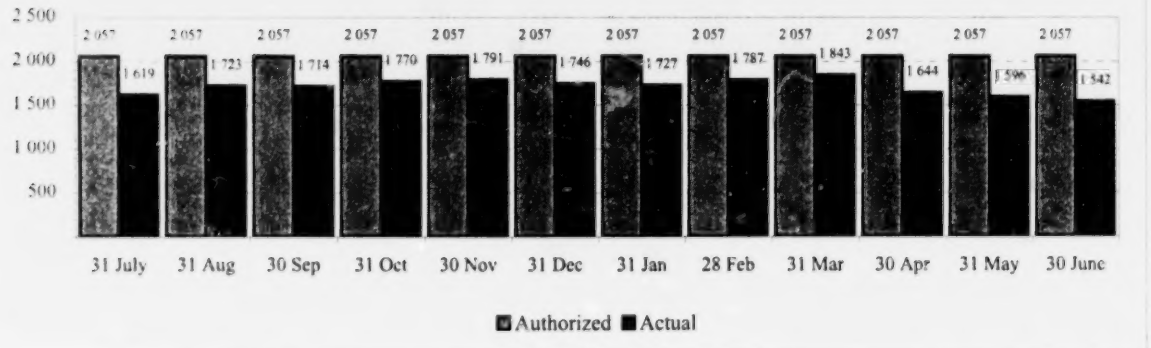
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1999 to 30 June 2000

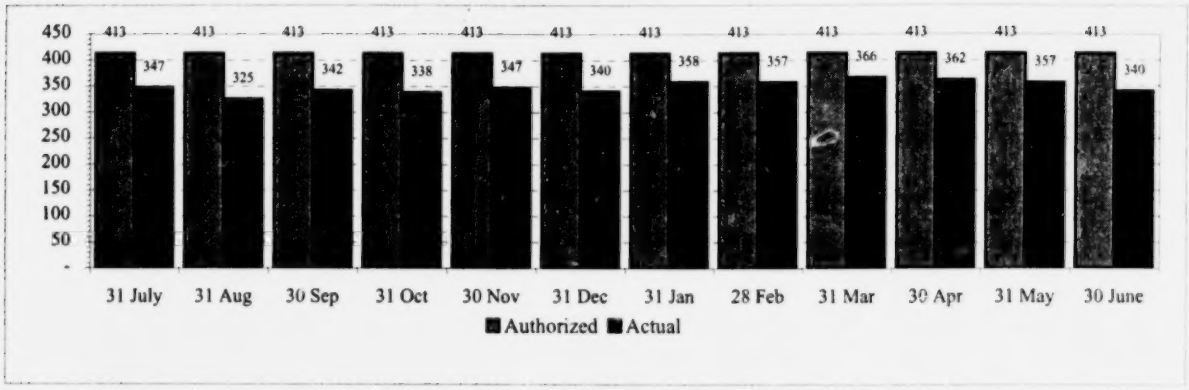
1. Military observers



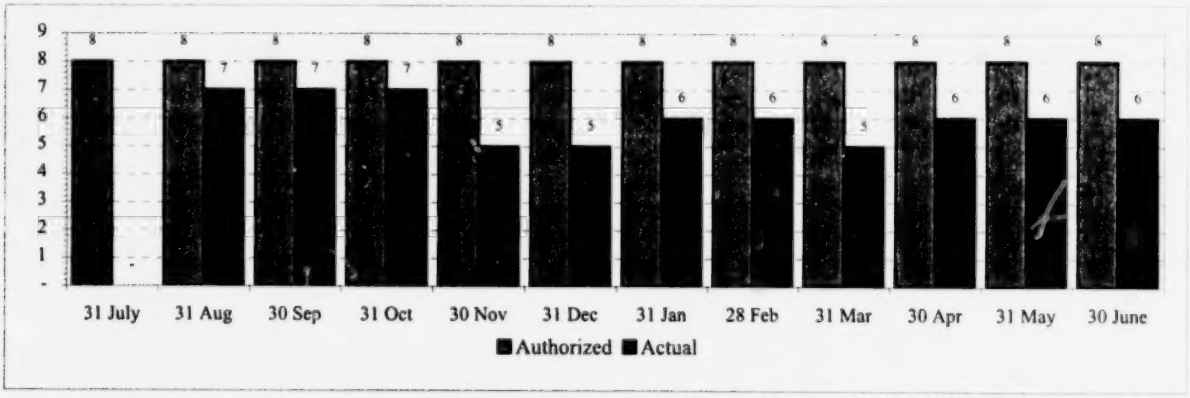
2. Civilian police



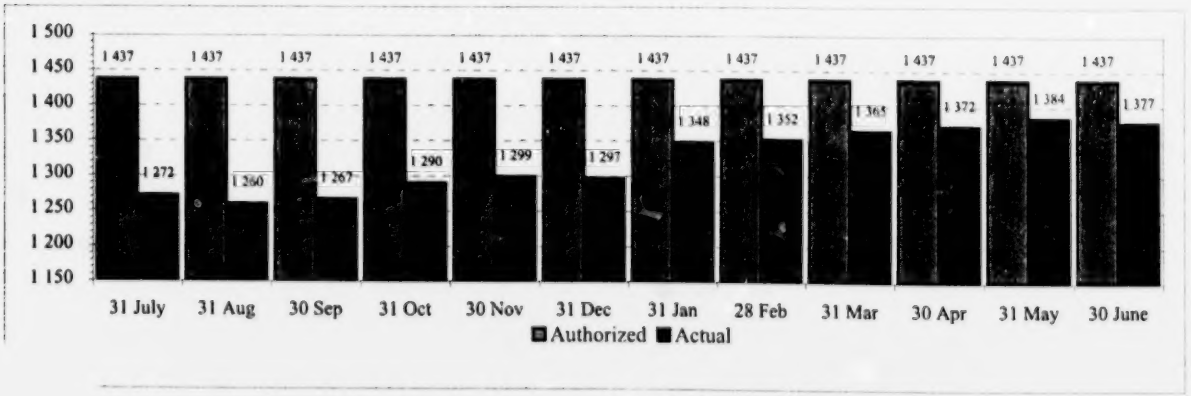
4. International staff



5. National officers



6. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1999 to 30 June 2000